

Drug Trafficking in the United States



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Drug Enforcement Administration

DRUG TRAFFICKING IN THE UNITED STATES

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CONTENTS

iii	EXECUTIVE SUMMARY
1	COCAINE
1	Trafficking by Colombian and Mexican Organizations
3	Crack Cocaine Trafficking
3	Prices and Purity
3	Seizures
4	HEROIN
4	South American Heroin
5	Mexican Heroin
6	Southeast Asian Heroin
6	Southwest Asian Heroin
7	Purity
7	Prices
7	Seizures
8	METHAMPHETAMINE
10	Purity
10	Prices
10	Seizures
11	MARIJUANA
11	Domestic Marijuana
12	Mexican Marijuana
12	Canadian Marijuana
13	Prices and Potency (THC Content)
13	Seizures
14	MDMA
16	LSD
17	PCP
17	FLUNITRAZEPAM
18	GHB/GBL
18	STEROIDS

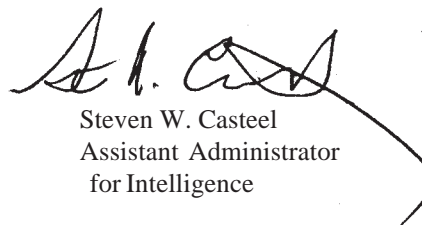
EXECUTIVE SUMMARY

The illegal drug market in the United States is one of the most profitable in the world. As such, it attracts the most ruthless, sophisticated, and aggressive drug traffickers. Drug law enforcement agencies face an enormous challenge in protecting the country's borders. Each year, according to the U.S. Customs Service (USCS), 60 million people enter the United States on more than 675,000 commercial and private flights. Another 6 million come by sea and 370 million by land. In addition, 116 million vehicles cross the land borders with Canada and Mexico. More than 90,000 merchant and passenger ships dock at U.S. ports. These ships carry more than 9 million shipping containers and 400 million tons of cargo. Another 157,000 smaller vessels visit our many coastal towns. Amid this voluminous trade, drug traffickers conceal cocaine, heroin, marijuana, MDMA, and methamphetamine shipments for distribution in U.S. neighborhoods.

Diverse groups traffic and distribute illegal drugs. Criminal groups operating from South America smuggle cocaine and heroin into the United States via a variety of routes, including land routes through Mexico, maritime routes along Mexico's east and west coasts, sea routes through the Caribbean, and international air corridors. Furthermore, criminal groups operating from neighboring Mexico smuggle cocaine, heroin, methamphetamine, amphetamine, and marijuana into the United States. These criminal groups have smuggled heroin and marijuana across the Southwest Border and distributed them throughout the United States since the 1970s. Reporting suggests that, in addition to distributing cocaine and methamphetamine in the West and Midwest, these Mexico-based groups now are attempting to expand the distribution of those drugs into eastern U.S. markets.

The use of the drug 3, 4-methylenedioxymethamphetamine (MDMA), also known on the street as Ecstasy, has increased at an alarming rate in the United States over the last several years. Israeli and Russian drug trafficking syndicates and Western Europe-based drug traffickers are the principal traffickers of MDMA worldwide. MDMA, primarily manufactured clandestinely in Western Europe, is smuggled into the United States by couriers via commercial airlines, as well as through the use of express package carriers. Finally, criminal groups based in Southeast and Southwest Asia smuggle heroin into the United States. Using New York City as a major distribution hub, these criminal groups move heroin up and down the eastern seaboard and into the Midwest.

Besides these criminal groups based abroad, domestic organizations cultivate, produce, manufacture, or distribute illegal drugs such as marijuana, methamphetamine, phencyclidine (PCP), and lysergic acid diethylamide (LSD). By growing high-potency sinsemilla, domestic cannabis growers provide marijuana that easily competes with other illegal drugs. With demand for methamphetamine remaining high, especially in the West and Midwest, so, too, does the number of illicit laboratories that supply methamphetamine to a growing number of addicts. Additionally, a small number of chemists manufacture LSD that is subsequently distributed primarily to high school and college students throughout the United States.



Steven W. Casteel
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COCAINE

Cocaine trafficking and abuse continue to threaten the health and safety of American citizens. According to drug abuse indicators, the abuse of both powder and crack cocaine have stabilized, albeit at high levels. The trafficking, distribution, and abuse of cocaine and crack cocaine have spread from urban environments to smaller cities and suburban areas of the country, bringing a commensurate increase in violence and criminal activity. The level of violence associated with cocaine trafficking today, however, does not compare to the rampant violence of the 1980s when the crack epidemic was at its worst.

Trafficking by Colombian and Mexican Organizations

The U.S./Mexico border is the primary point of entry for cocaine shipments being smuggled into the United States. According to a recent interagency intelligence assessment, approximately 65 percent of the cocaine smuggled into the United States crosses the Southwest border. Cocaine is readily available in nearly all major cities in the United States. Organized crime groups operating in Colombia control the worldwide supply of cocaine. These organizations use a sophisticated infrastructure to move cocaine by land, sea, and air into the United States. In the United States, these Colombia-based groups operate cocaine distribution and drug money laundering networks comprising a vast infrastructure of multiple cells functioning in many major metropolitan areas. Each cell performs a specific function within the organization, e.g., transportation, local distribution, or money movement. Key managers in Colombia continue to oversee the overall operation.

Over the past decade, the Colombia-based drug groups have allowed Mexico-based trafficking organizations to play an increasing role in the U.S. cocaine trade. Throughout most of the 1980s, the criminals in Colombia used the drug smugglers in Mexico to transport cocaine



Cocaine hydrochloride (HCl)

shipments across the Southwest border into the United States. After successfully smuggling the drugs across the border, the Mexican transporters transferred the drugs back to the Colombian groups operating in the United States. However, the seizure of nearly 21 metric tons of cocaine in 1989 led to a new arrangement between transportation organizations operating from Mexico and the organized crime groups operating from Colombia. This new arrangement radically changed the role and sphere of influence of the Mexico-based trafficking organizations in the U.S. cocaine trade. By the mid-1990s, Mexico-based transportation groups were receiving up to half the cocaine shipment they smuggled for the Colombia-based groups in exchange for their services. Both sides realized that this strategy eliminated the vulnerabilities and complex logistics associated with large cash transactions. The Colombia-based groups also realized that relinquishing part of each cocaine shipment to their associates operating from Mexico ceded a share of the wholesale cocaine market in the United States.

Today, traffickers operating from Colombia continue to control wholesale-level cocaine distribution throughout the heavily populated northeastern United States and along the eastern seaboard in cities such as Boston, Miami, Newark, New York, and Philadelphia. There are indications, however, that other drug trafficking organizations are playing a larger

role in the distribution of cocaine in conjunction with the Colombian organizations. Dominican drug trafficking organizations have traditionally been responsible for the street-level distribution of cocaine. The DEA Philadelphia Field Division reports that the primary sources of supply for cocaine in the city are Colombian and Dominican organizations, which are capable of moving multikilogram quantities. The DEA Boston Field Division reports that Dominican traffickers are expanding their roles in cocaine distribution, and have been instrumental in obtaining multikilogram quantities of cocaine for distribution in New England. In New York City, Colombian, Dominican, and Mexican drug trafficking organizations distribute multikilogram quantities of cocaine. Furthermore, Mexican drug trafficking organizations are increasingly responsible for the transportation of cocaine from the Southwest border to the New York market.

Traffickers operating from Mexico, however, now control wholesale cocaine distribution throughout the western and midwestern United States. The distribution of multiton quantities of cocaine, once dominated by the Colombia-based drug groups, is now controlled by Mexico-based trafficking groups in cities such as Chicago, Dallas, Denver, Houston, Los Angeles, Phoenix, San Diego, San Francisco, and Seattle. In the early 1990s, when the organized crime groups from Mexico were expanding their roles as cocaine transporters and wholesale-level distributors, most of their U.S.-based command and control operations were in southern California. Today, Chicago is also a key command and control center for their cocaine operations. Currently, these traffickers control cocaine shipments from the time they are smuggled across the border until they are distributed to markets across the country.

The role of Mexico-based trafficking organizations is continuing to evolve. Recent reports suggest that some major international criminals in Colombia are continuing to distance themselves from day-to-day wholesale-level cocaine distribution in the United States by turning this task over, at least

occasionally, to the organizations operating from Mexico. Likely motivations for this change include the non-retroactive extradition law enacted by the Colombian National Assembly in December 1997. Accordingly, Colombian traffickers now face the prospect of extradition for overt acts committed on or after the date (December 17, 1997) that the extradition amendment went into effect. By distancing themselves from overt acts in the United States, Colombian drug lords hope to minimize the threat that the United States will gather sufficient evidence to support an extradition request. This shift does not mean to suggest that traffickers operating from Colombia will abandon the U.S. cocaine market *en masse*. Emerging drug lords—who do not face the difficulties in micro-managing operations as do the jailed Cali criminal leaders—have little reason to forego the profits generated by the wholesale U.S. cocaine market.

Colombian drug trafficking organizations have increasingly relied upon the eastern Pacific Ocean as a trafficking route to move cocaine to the United States. Law enforcement and intelligence community sources estimate that 65 percent of the cocaine shipped to the United States moves through the Central America-Mexico corridor, primarily by vessels operating in the eastern Pacific. Colombian traffickers utilize fishing vessels to transport bulk shipments of cocaine from Colombia to the west coast of Mexico and, to a lesser extent, the Yucatan Peninsula. The cocaine is off-loaded to go-fast vessels for the final shipment to the Mexican coast. The loads are subsequently broken down into smaller quantities to be moved across the Southwest border.

However, cocaine continues to be transported through the Caribbean; Puerto Rico, the Dominican Republic, and Haiti are the predominant transshipment points for Colombian cocaine transiting the Caribbean. Because of lawlessness and deteriorating economic conditions, Haiti is becoming a growing transshipment point for Colombian cocaine destined for eastern U.S. markets. Haitian drug traffickers, utilizing maritime

shipments to transport cocaine to South Florida, are becoming a major threat. Law enforcement reporting indicates that Jamaica is an increasingly significant transshipment point for cocaine destined for the United States since it is located midway between South America and the United States. Cocaine is primarily smuggled into Jamaica by maritime methods, and the cocaine transshipped through Jamaica often is destined for the Canadian, European, and U.S. markets. Cocaine destined for the United States is usually smuggled from Jamaica to the Bahamas aboard go-fast boats. The cocaine is subsequently smuggled to the Florida coast using go-fast boats, pleasure craft, and fishing vessels.

Crack Cocaine Trafficking

Crack, the inexpensive, smokable form of cocaine, continues to be distributed and used in most major cities. While cocaine use in the United States has declined over the past decade, the rate of use in recent years has stabilized at high levels. Crack cocaine usage, which initially drove these rates, has similarly stabilized, and shows some indications of declining although it also remains at a high level. Street gangs, such as the Crips and the Bloods, and criminal groups of ethnic Dominicans, Puerto Ricans, and Jamaicans dominate the retail market for crack cocaine nationwide. The directed expansion of these gangs to smaller U.S. cities and rural areas, as well as a growth in street gangs that imitate their urban counterparts, resulted in an increase in the number of homicides, armed robberies, and assaults as gang members used physical violence to maintain their drug distribution monopolies.



Vials of crack cocaine

Prices and Purity

Cocaine prices in 2000 remained low and stable, suggesting a steady supply to the United States. Nationwide, wholesale cocaine prices ranged from \$12,000 to \$35,000 per kilogram. In most major metropolitan areas, however, the price of a kilogram of cocaine ranged from \$13,000 to \$25,000. Average purity for cocaine at the gram, ounce, and kilogram levels remained stable at high levels. In 2000, the average purity of a kilogram of cocaine was 75 percent. Typically, cocaine HCl is converted into crack cocaine, or “rock,” within the United States by the secondary wholesaler or retailer. Crack cocaine is often packaged in vials, glassine bags, and film canisters. The size of a crack rock can vary, but generally ranges from 1/10 to 1/2 gram. Rocks can sell for as low as \$3 to as high as \$50, but prices generally range from \$10 to \$20.

Seizures

According to the Federal-wide Drug Seizure System (FDSS), U.S. federal authorities seized nearly 103 metric tons of cocaine in 2000 compared to 135 metric tons in 1999. According to a recent interagency intelligence assessment, cocaine production has not declined. The decline in cocaine seizures is primarily attributed to the decrease in the size of the average load transiting the Southwest border and an increase in the number of drug loads moving between ports of entry.

HEROIN

Heroin is readily available in many U.S. cities as evidenced by the unprecedented high level of average retail, or street-level, purity. Criminals in four foreign source areas produce the heroin available in the United States: South America (Colombia), Southeast Asia (principally Burma), Mexico, and Southwest Asia/Middle East (principally Afghanistan). While virtually all heroin produced in Mexico and South America is destined for the U.S. market, each of the four source areas has dominated the U.S. market at some point over the past 30 years. Over the past decade, the United States has experienced a dramatic shift in the heroin market from the domination of Southeast Asian heroin to a dominance of the wholesale and retail markets by South American heroin, especially in the East. In the West, by contrast, “black tar” and, to a lesser extent, brown powdered heroin from Mexico have been, and continue to be, the predominant available form.

The increased availability of high-purity heroin, which can effectively be snorted, has given rise to a new, younger user population. While avoiding the stigma of needle use, this user group is ingesting larger quantities of the drug and, according to drug treatment specialists, progressing more quickly toward addiction.

South American Heroin

The availability of South American (SA) heroin, produced in Colombia, has increased dramatically in the United States since 1993. SA heroin is available in the metropolitan areas of the Northeast and along the East Coast. Independent traffickers typically smuggle SA heroin into the United States via couriers traveling aboard commercial airlines, with each courier usually carrying from 500 grams to 1 kilogram of heroin per trip. These traffickers increased their influence in the lucrative northeastern heroin market, which has the largest demand in the United States, by pursuing an aggressive marketing strategy. They distributed high-quality heroin (of purity

frequently above 90 percent), undercut the price of their competition, and used their long-standing, effective drug distribution networks. Investigations also indicate the spread of SA heroin to smaller U.S. cities.

Since the mid-1990s, Colombian heroin traffickers have diversified their methods of operation. Couriers still come into Miami, New York City, San Juan, and other U.S. cities on direct commercial flights from Colombia. Increasingly, however, Colombian traffickers are smuggling heroin from Colombia into the United States through such countries as Costa Rica, the Dominican Republic, Ecuador, Panama, Mexico, Argentina, and Venezuela.

In response to increased drug law enforcement presence at eastern ports of entry, some SA heroin traffickers have sought alternative routes. Recent seizures reflect the use of Mexico to smuggle SA heroin into the United States. In February 2001, for example, two separate seizures of suspected SA heroin, totaling 4.9 kilograms, were made at the airport in Tijuana, Mexico. Also, in late 2000, the DEA Houston Field Division reported two seizures of suspected SA heroin. Nearly 2 kilograms were seized at a bus terminal in Houston from a Colombian female who was traveling from San Antonio to New York City. In the other instance, four Venezuelans, in possession of 1.4 kilograms of heroin, were arrested at a local hotel.

More recently, Colombian heroin traffickers are using commercial maritime methods to move larger amounts of their drug into the United States. Some of the past maritime heroin shipments have been intermixed with larger shipments of cocaine, and some have been transported via cruise ships. Larger shipments of heroin are now being smuggled via containerized cargo, as evidenced by the May 16, 2001, seizure of 54 kilograms of SA heroin in New York. The heroin, packaged in 1.5 pound bricks, was secreted in false bottoms of 1,400 25-pound boxes of frozen plantains. This



SA heroin seized in New York on May 16, 2001.
False bottom of plantain box lifted with heroin bricks exposed.

seizure represents the largest seizure of SA heroin to date in the United States.

Within the United States, ethnic Dominican criminal groups have played a significant role in retail-level heroin distribution in northeastern markets for at least the past two decades. During the 1990s, Dominican groups secured their role in the heroin trade by selling high-purity SA heroin. Currently, Dominican groups dominate retail heroin markets in northeastern cities such as New York City, Boston, and Philadelphia. New York City is the primary base of operation for ethnic Dominican groups. Colombian distribution networks at the wholesale level deal directly with Dominican trafficking groups responsible for retail sales.

Mexican Heroin

Mexican heroin has been a threat to the United States for decades. It is produced, smuggled, and distributed by polydrug trafficking groups, many of which have been in operation for more than 20 years. Nearly all of the heroin produced in Mexico is destined for distribution in the United States. Organized crime groups operating from Mexico produce, smuggle, and distribute the black tar heroin sold in the western United States. Traditionally, trafficking groups operating from Mexico evaded interdiction efforts by smuggling heroin to the U.S. market as they received orders from customers. By keeping quantities small, traffickers hoped to minimize the risk of losing a significant quantity of heroin in a single

seizure. Even large polydrug Mexican organizations, which smuggle multiton quantities of cocaine and marijuana, generally limited smuggling of Mexican heroin into the United

States to kilogram

and smaller amounts. Nevertheless, trafficking organizations were capable of regularly smuggling significant quantities of heroin into the United States.

Although illegal immigrants and migrant workers frequently smuggle heroin across the U.S./Mexico border in 1- to 3- kilogram amounts for the major trafficking groups, seizures indicate that larger loads are being moved across the border, primarily in privately owned vehicles. Once the heroin reaches the United States, traffickers rely upon well-entrenched polydrug smuggling and distribution networks to deliver their product to the market, principally in the metropolitan areas of the midwestern, southwestern, and western United States with sizable Mexican immigrant populations.

Indicative of larger shipments of Mexican heroin being smuggled into the United States are a series of recent seizures along the Southwest border. In January 2001, the USCS in Del Rio, Texas, seized 42 kilograms of black tar heroin. In December 2000, the USCS seized 27 kilograms of black tar heroin at the Laredo port of entry. Texas has not been the only border state where large amounts of black tar heroin were seized. In October 2000, 46 kilograms of black tar heroin were seized in Arizona at the San Luis port of entry. This seizure ranks as one of the largest ever made along the Southwest border.



Mexican black tar

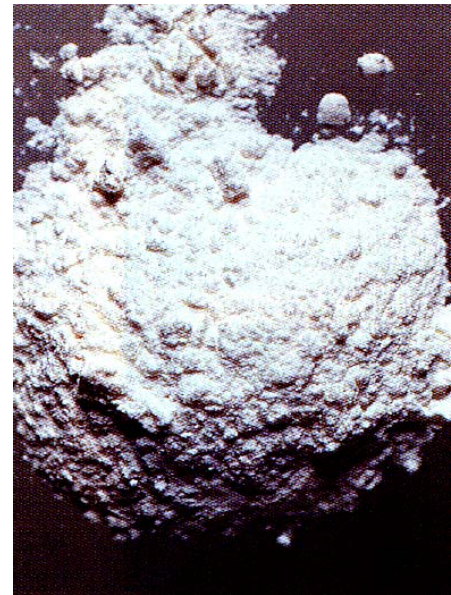
Although recent DEA cases have involved Mexican black tar heroin trafficking groups east of the Mississippi River, there has been no successful, long-term penetration of the East Coast markets by organizations selling Mexico-produced heroin.

Southeast Asian Heroin

High-purity Southeast Asian (SEA) heroin dominated the market in the United States during the late 1980s and early 1990s. Over the past few years, however, all indicators point to a decrease in SEA heroin available domestically. Significant investigations led to the incarceration in Thailand and extradition to the United States of more than a dozen high-level violators who played key roles in moving SEA heroin shipments to the United States. SEA heroin trafficking links run from independent brokers and shippers in Asia through overseas Chinese criminal populations to ethnic Chinese criminal wholesale distributors in the United States. In the United States, ethnic Chinese criminals rely upon local criminal organizations for the distribution of SEA heroin. Despite the recent decline in the trafficking of SEA heroin in the United States, Chinese criminal groups remain the most sophisticated heroin trafficking organizations in the world.

SEA heroin shipments destined for U.S. markets may transit through China, Japan, Malaysia, the Philippines, Singapore, Taiwan, or South Korea. Largely independent U.S.-based ethnic Chinese traffickers control distribution within the United States, principally in the Northeast and along the East Coast. During the late 1990s, Vancouver, British Columbia, emerged as a key operational headquarters for ethnic Chinese criminal elements. These criminal groups were enmeshed with North American gangs of Asian descent in transporting SEA heroin to the United States, mainly to the East Coast. A DEA New York Field Division investigation led to the seizure, in January 2001, of 57 kilograms of SEA heroin from a container ship docked at the port in Elizabeth, New Jersey.

Trafficking groups composed of West African criminals also smuggle SEA heroin to the United



SEA heroin

States. Nigerian criminals have been most active in U.S. cities and areas with well-established Nigerian populations, such as Atlanta, Baltimore, Houston, Dallas, New York City, Newark, Chicago, and Washington, D.C. Over the past several years, Chicago has become a hub for heroin trafficking controlled by Nigerian criminals who primarily deal in SEA heroin.

Southwest Asian Heroin

While a large portion of Southwest Asian (SWA) heroin is consumed in Western Europe, Pakistan, and Iran, traffickers operating from Middle Eastern locations smuggle SWA heroin to ethnic enclaves in the United States. Criminal groups composed of ethnic Lebanese, Pakistanis, Turks, and Afghans are all involved in supplying the drug to U.S.-based groups for retail distribution. SWA heroin traffickers and wholesale distributors generally have been consistently cautious, rarely conducting heroin business with persons not of Southwest Asian or Middle Eastern ethnicity. Therefore, the ethnic aspect of SWA heroin importation and distribution has made SWA heroin more prevalent in areas with large Southwest Asian populations.

West African traffickers, who primarily smuggled SEA heroin to the United States in the 1990s, now also deal in SWA heroin. In a particularly noteworthy seizure of approximately 24 kilograms of heroin in New York in May 2000, 90 percent of the seized heroin consisted of SWA heroin, and the remaining 10 percent was SEA. While unusual, a shipment containing the two types of heroin is not unexpected. For the last two years, West African traffickers, based in Bangkok who normally deal in SEA heroin, have been sending couriers to Pakistan to buy the cheaper Afghanistan-produced SWA heroin. Heroin in Pakistan ranges from \$1,000 to \$2,000 a kilogram, while in Bangkok the West Africans must pay between \$10,000 and \$12,000 for a kilogram.

Purity

On the street, heroin purity and price often reflect the drug's availability. High purities and low prices, for example, indicate that heroin supplies are readily available. DEA's Domestic Monitor Program (DMP), a retail heroin purchase program, tracks urban street-level heroin purity and price. The most recent data available show that, in 1999, the nationwide average purity for retail heroin from all sources was 38.2 percent. This number is significantly higher than the average of 7 percent reported two decades ago and higher than the 26 percent recorded in 1991. The significant rise in average purity corresponds to the increased availability of high-purity SA heroin, particularly in the northeastern United States.

Moreover, the DMP indicated that the retail purity of SA heroin was the highest for any source, averaging 51.2 percent in 1999. SWA heroin followed with a 44.0 percent average. SEA heroin averaged 41.9 percent at the retail level and Mexican heroin averaged 27.3 percent, a drop from 33.5 percent in 1998. Heroin purity at the street level generally remained highest in the northeastern United States, where most of the nation's user population lives. In 1999, Philadelphia recorded the DMP's highest heroin



SWA heroin

purity average of 72.0 percent. Over the last several years, Philadelphia has ranked consistently at or near the top in DMP retail heroin purity levels. In addition, New York City continues to be one of the major importation and distribution centers for SA and SEA heroin.

Prices

Nationwide, in 2000, SA heroin ranged from \$50,000 to \$200,000 per kilogram. SEA and SWA heroin ranged in price from \$40,000 to \$190,000 per kilogram. Wholesale-level prices for Mexican heroin were the lowest of any type, ranging from \$13,200 to \$175,000 per kilogram. The wide range in kilogram prices reflects variables such as buyer/seller relationships, quantities purchased, purchase frequencies, purity, and transportation costs.

Seizures

FDSS statistics indicate that U.S. federal law enforcement authorities seized 1,575 kilograms of heroin in 2000, compared to 1,149 kilograms in 1999.

METHAMPHETAMINE

Domestic methamphetamine production, trafficking, and abuse are concentrated in the western, southwestern, and midwestern United States. Methamphetamine is also increasingly available in portions of the South, especially Georgia and Florida. Clandestine laboratories in California and Mexico are the primary sources of supply for methamphetamine available in the United States.

Over the last decade, the methamphetamine trafficking and abuse situation in the United States changed dramatically. In 1994, ethnic Mexican drug trafficking organizations operating “super labs” (laboratories capable of producing in excess of 10 pounds of methamphetamine in one 24-hour production cycle) based in Mexico and in California began to take control of the production and distribution of methamphetamine domestically. Independent laboratory operators, including outlaw motorcycle gangs, previously maintained control of methamphetamine production and distribution within the United States, and continue to operate today on a lesser scale. The entrée of ethnic Mexican traffickers into the methamphetamine trade in the mid-1990s resulted in a significant increase in the supply of the drug. Mexican criminal organizations, based in Mexico and California, provided high-purity, low-cost methamphetamine originally to cities in the Midwest and West with Mexican populations.

In 2000, of the 6,394 clandestine methamphetamine laboratories seized and reported to the National Clandestine Laboratory Database at the El Paso Intelligence Center (EPIC), only 126 were super labs. In the first 5 months of fiscal year (FY) 2001, Mexican law enforcement and military officials seized 15 clandestine methamphetamine laboratories of unknown production capacity. Twelve of the FY 2001 seizures occurred in the border cities of Tijuana and Mexicali in the State of

Baja California Norte. Due to the proximity of these laboratories to the United States, it is believed that the majority of the methamphetamine was bound for the United States.

The primary points of entry into the United States for methamphetamine produced in Mexico have traditionally been California ports of entry, particularly San Ysidro. Although a great amount of methamphetamine still transits this area, ports of entry in South Texas are experiencing significant increases in smuggling activity. The most common method of transporting methamphetamine is within concealed compartments in passenger vehicles.

The supply of methamphetamine in the United States also stems from multiple small-scale



Methamphetamine laboratory



Powder methamphetamine in pound packages

laboratories, often operated by independent cooks who obtain the ingredients necessary for manufacture from retail and convenience stores. Methamphetamine produced in these “mom-and-pop” laboratories is generally for personal use or limited distribution. A clandestine laboratory operator can use relatively common items, such as mason jars, coffee filters, hot plates, pressure cookers, pillowcases, plastic tubing, and gas cans to substitute for sophisticated laboratory equipment. The growing use of the Internet, which provides access to methamphetamine “recipes,” coupled with increased demand for high-purity product, has resulted in a dramatic increase in the number of mom-and-pop laboratories throughout the United States. The number of clandestine methamphetamine laboratories seized nationwide by DEA increased from 263 in 1994 to 1,815 in 2000, a 590-percent increase. In addition, state and local police agencies seized almost 4,600 clandestine laboratories in the United States during 2000.

The vast majority of methamphetamine precursor chemicals diverted to clandestine laboratories in the United States are dosage-form pseudoephedrine or ephedrine drug products. They are usually purchased from U.S. manufacturers and distributors who sell case quantities of the tablets. Ultimately, the tablets are destined for California where they are manufactured into multiple pounds of methamphetamine. The finished methamphetamine is then distributed throughout the United States through preexisting smuggling methods to the traffickers.



Discarded pseudoephedrine bottles

Because of law enforcement attention and strong state precursor control laws in California, traffickers have now diversified to pseudoephedrine suppliers nationwide, buying at relatively lower prices in other parts of the country and trafficking the product to California, where the black market price can bring up to \$5,000 per pound of product.

Nationwide networks of suppliers, working together, also now provide ton quantities of pseudoephedrine tablet products to the market in California and to distributors in other states. The latter divert the product to local methamphetamine laboratories. Small-scale lab operators commonly buy over-the-counter pseudoephedrine products in small amounts from legitimate retailers. Recent reporting indicates that Canadian companies have also been implicated in supplying U.S. laboratories because of minimal chemical controls in Canada. In April 2001, the USCS seized approximately 10,700 kilograms of pseudoephedrine from a tractor-trailer attempting to enter the United States from Canada at the Ambassador Bridge in Detroit, Michigan. It is estimated that this pseudoephedrine had the potential to produce between 2,300 and 2,600 kilograms of methamphetamine.

In addition, the use of methylsulfonylmethane (MSM) has been encountered as a “cut” in methamphetamine produced primarily by Mexican organizations. Legitimately used as a dietary supplement for horses and humans, MSM is readily available at feed and livestock stores, as well as health and nutrition stores. The addition of MSM can be used to add volume to the finished methamphetamine, thus increasing the profit. Increases in the use of MSM may be a signal of difficulty in obtaining precursors, or a simple marketing method to meet demand while increasing profit.

The crystalline form of methamphetamine, known as “ice,” “glass,” or “crystal,” is gaining popularity. Converted from powder by criminal elements in

Southeast Asia, Mexico, and the United States, ice traditionally was used in Hawaii and southern California. More recently, its use has spread along the West Coast and Southwest border areas.

The importation of methamphetamine tablets from Southeast Asia, primarily via the mail system, is increasing. Produced mainly by the United Wa State Army, the largest heroin and methamphetamine trafficking group in Burma, the tablets, which weigh approximately 90 milligrams (mg), typically contain 25 to 30 mg of methamphetamine, and 45 to 65 mg of caffeine. Although it is believed that the tablets are trafficked primarily by ethnic Thais or Laotians for use in the Asian community, it is likely that larger amounts will be smuggled into the United States as demand increases outside that community.

Purity

Until 1999, the methamphetamine problem was increasing at an alarming rate. International chemical control efforts reduced the supply of those chemicals needed to produce high-quality methamphetamine. As a result, the national purity level for methamphetamine has decreased dramatically. The average purity of methamphetamine exhibits seized by DEA dropped from 71.9 percent in 1994 to 30.7 percent in 1999. The average purity of methamphetamine exhibits seized by DEA in 2000 rose slightly to 35.3 percent.

Prices

Methamphetamine prices vary throughout different regions of the United States. At the distribution level, prices range from \$3,500 per pound in parts of California and Texas to \$21,000 per pound in southeastern and northeastern regions of the country. Retail prices range from \$400 to \$3,000 per ounce.



Crystal methamphetamine

Seizures

According to the FDSS, U.S. federal authorities seized a total of 3,163 kilograms of methamphetamine in 2000 compared to 2,776 kilograms in 1999.

In 2000, authorities seized 301,697 SEA methamphetamine tablets in U.S. Postal Service facilities in Oakland, Los Angeles, and Honolulu. This represents an 656-percent increase from the 1999 seizure total of 39,917.



SEA methamphetamine tablets

MARIJUANA

Marijuana is the most widely abused and readily available illicit drug in the United States, with an estimated 11.5 million current users. At least one-third of the U.S. population has used marijuana sometime in their lives. The drug is considered a “gateway” to the world of illicit drug abuse. Relaxed public perception of harm, popularization by the media and by groups advocating legalization, along with the trend of smoking marijuana-filled cigars known as “blunts,” contribute to the nationwide resurgence in marijuana’s popularity.

The Internet also contributes to marijuana’s popularity. Websites exist that provide information and links extolling the virtues of marijuana. These sites provide forums for user group discussions, post documents and messages for public discussions, and advocate the “legal” sale of marijuana. Several web sites advertising the sale of marijuana and providing instructions on home grows have also been identified.

Marijuana smuggled into the United States, whether grown in Mexico or transshipped from other Latin American source areas, accounts for most of the marijuana available in the United States. Marijuana produced in Mexico remains the most widely available. Moreover, high-potency marijuana enters the U.S. drug market from Canada. The availability of marijuana from Southeast Asia generally is limited to the West Coast. U.S. drug law enforcement reporting also suggests increased availability of domestically grown marijuana.



Blunts

Domestic Marijuana

According to 2000 Domestic Cannabis Eradication/Suppression Program (DCE/SP) statistics, the five leading states for indoor growing activity were California, Florida, Oregon, Washington, and Wisconsin. DCE/SP statistics indicate that the major outdoor growing states in 2000 were California, Hawaii, Kentucky, and Tennessee; these states accounted for approximately three-quarters of the total of eradicated outdoor cultivated plants.



Outdoor grow in Hawaii

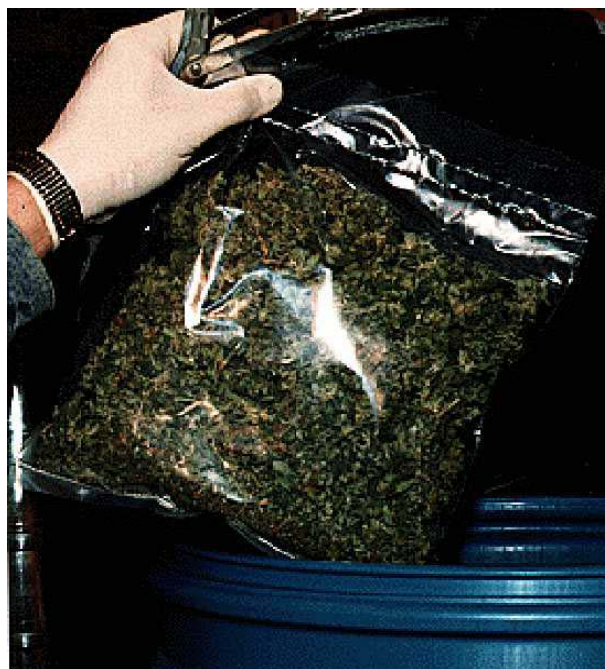
Mexican Marijuana

Organized crime groups operating from Mexico have smuggled marijuana into the United States since the early 1970s. These groups maintain extensive networks of associates, often related through familial or regional ties to associates living in the United States, where they control polydrug smuggling and wholesale distribution from hub cities to retail markets throughout the United States.

Groups operating from Mexico employ a variety of transportation and concealment methods to smuggle marijuana into the United States. Most of the marijuana smuggled into the United States is concealed in vehicles — often in false compartments — or hidden in shipments of legitimate agricultural or industrial products. Marijuana also is smuggled across the border by rail, horse, raft, and backpack. Shipments of 20 kilograms or less are smuggled by pedestrians who enter the United States at border checkpoints and by backpackers who, alone or in groups (“mule trains”), cross the border at more remote locations. Jamaican organizations also appear to be involved in dispatching Mexican marijuana via parcel carriers.

Organized crime groups operating from Mexico conceal marijuana in an array of vehicles, including commercial vehicles, private automobiles, pickup trucks, vans, mobile homes, and horse trailers, driven through border ports of entry. Larger shipments ranging up to multithousand kilograms are usually smuggled in tractor-trailers, such as the 6.9 metric tons of marijuana seized on April 3, 2001, by USCS officials from a tractor-trailer at the Otay Mesa, California, port of entry. The marijuana packages had been wrapped in cellophane, coated with mustard, grease, and motor oil, and commingled in a load of television sets.

Besides overland smuggling, drug traffickers use ocean vessels to move Mexican marijuana up the coast of Mexico to U.S. ports, drop-off sites along the U.S. coast, or to rendezvous points with other boats bound for the United States.



Marijuana packaged for sale

Law enforcement authorities in southern California indicate that marijuana is transferred from mother ships in international waters to Mexican fishing vessels. The smaller vessels then deliver the marijuana to overland smugglers on the Mexican Baja California Peninsula. From there, the marijuana is generally moved to border transit points and then carried to the Los Angeles metropolitan area for distribution to eastern markets.

Canadian Marijuana

Canada is becoming a source country for indoor-grown, high-potency (15 to 25 percent THC) marijuana destined for the United States. Canadian law enforcement intelligence indicates that marijuana traffickers there are increasingly cultivating cannabis indoors. Such indoor-grow operations have become an enormous and lucrative illicit industry, producing a potent form of marijuana that has come to be known as “BC Bud.” Canadian officials estimate that cannabis cultivation in British Columbia is a billion-dollar industry, and that traffickers smuggle a significant portion of the Canadian harvest into the United States.

Prices and Potency (THC Content)

Prices for commercial-grade marijuana have remained relatively stable over the past decade, ranging from approximately \$400 to \$1,000 per pound in U.S. Southwest border areas to between \$700 to \$2000 per pound in the Midwest and northeastern United States. The national price range for sinsemilla, a higher quality marijuana usually grown domestically, is between \$900 and \$6,000 per pound.

BC Bud sells for between \$1,500 and \$2,000 per pound in Vancouver; but when smuggled into the United States, it sells for between \$5,000 and \$8,000 per pound in major metropolitan areas.

During the past two decades, marijuana potency has increased. According to the University of Mississippi's 2000 Marijuana Potency Monitoring Project (MPMP), commercial-grade marijuana THC levels rose from under 2 percent in the late 1970s and early 1980s to 6.07 percent in 2000. The MPMP reports that sinsemilla potency also increased, rising from 6 percent in the late 1970s and 1980s to 13.20 percent in 2000.

Seizures

According to the FDSS, U.S. federal authorities seized 1,222 metric tons of marijuana in 2000 compared to 1,094 metric tons in 1999.



The controlled environment permits year-round cannabis cultivation.

MDMA

Commonly referred to as Ecstasy, XTC, Clarity, or Essence, 3,4-methylenedioxymethamphetamine (MDMA) is a synthetic psychoactive drug possessing stimulant and mild hallucinogenic properties. In the early 1990s, MDMA became increasingly popular among European youth. However, it is within the last five years that MDMA use in the United States has increased at an alarming rate.

MDMA is popular among middle-class adolescents and young adults. MDMA is increasingly becoming an abuse problem because many users view it as nonaddictive and benign. MDMA is sold primarily at legitimate nightclubs and bars, at underground nightclubs sometimes called “acid houses,” or at all-night parties known as “raves.”

MDMA tablets range in weight from 150 to 350 mg and contain between 70 to 120 mg of MDMA. The profit margin associated with MDMA trafficking is significant. It costs as little as 25 to 50 cents to manufacture an MDMA tablet in Europe, but the street value of that same MDMA tablet can be as high as \$40, with a tablet typically selling for between \$20 and \$30.

Although the vast majority of MDMA consumed domestically is produced in Europe, a limited number of MDMA laboratories operate in the United States. Law enforcement seized 7 clandestine MDMA laboratories in the United States in 2000 compared to 19 seized in 1999. It should be noted that these laboratories were primarily capable of limited drug production. While recipes for the clandestine production of MDMA can be found on the Internet, acquiring the necessary precursor chemicals in the United States is difficult.

MDMA is manufactured clandestinely in Western Europe, particularly in the Netherlands and Belgium. Much of the MDMA is manufactured in the southeast section of the



MDMA is often sold at raves



MDMA “Mitsubishis”

Netherlands near Maastricht. Despite the Dutch Government’s efforts to curtail MDMA trafficking, the Netherlands remains a primary source country for the drug. International MDMA traffickers based in the Netherlands and Belgium, and a significant number of U.S.-based traffickers who coordinate MDMA shipments to major metropolitan areas of the United States often use Montreal and Toronto as transit points. In December 2000, the Royal Canadian Mounted Police (RCMP) seized approximately 150,000 MDMA tablets in Toronto that had been shipped via DHL from Brussels, Belgium, by an Israeli MDMA trafficking organization. The shipment was destined for distributors in the United States.



MDMA tablets

Due to the availability of precursor chemicals in Canada, a number of MDMA laboratories have been discovered operating near metropolitan areas such as Vancouver, Toronto, and Montreal. Such laboratories continue to supply U.S.-based MDMA trafficking organizations. According to the RCMP, the total potential yield of MDMA from laboratories uncovered in Canada since 1999 is in excess of 10 million tablets.



MDMA tablets with DEA logo

Another emerging trend is the use of Mexico as a transit zone for MDMA entering the United States. During 2000, several seizures were reported in or destined for Mexico. In September 2000, Dutch authorities seized a 1.25 million-tablet shipment of MDMA destined for Mexico. Previously, in April 2000, a shipment of 200,000 MDMA tablets was seized at the airport in Mexico City. The MDMA was discovered in an air cargo shipment manifested as aircraft parts sent from the Netherlands and destined for the United States.



Operation Red Tide began as a result of the largest single seizure of Ecstasy (MDMA). Over 1,000 pounds (2.1 million tablets) were seized on July 2, 2000, in Los Angeles, CA.

USCS statistics show a dramatic increase in seizures of MDMA tablets. In FY 1997, approximately 400,000 MDMA tablets were seized compared to approximately 9.3 million tablets seized in FY 2000. On July 22, 2000, approximately 2.1 million tablets were seized in Los Angeles. To date, this is the largest seizures of MDMA tablets in the United States.

LSD

Lysergic acid diethylamide (LSD) remains available in retail quantities in virtually every state. LSD production reportedly is centered on the West Coast, particularly in San Francisco, northern California, the Pacific Northwest, and recently the Midwest. Since the 1960s, LSD has been manufactured illegally within the United States. LSD production is a time-consuming and complex procedure. Several chemical recipes for synthesizing LSD are on the Internet, but clandestine production requires a high degree of chemical expertise. Chemists maintain tight control at the production level, but do not necessarily participate in the distribution of the drug. These chemists usually sell the crystal LSD product to one or two trusted associates, insulating themselves from the wholesale distributors.

Few LSD laboratories have ever been seized in the United States because of infrequent and irregular production cycles. In 2000, DEA seized one LSD laboratory that was located in a converted missile silo in Kansas. LSD is produced in crystal form that is converted to liquid and distributed primarily in the form of squares of blotter paper saturated with the liquid. To a lesser extent, LSD is sold as a liquid, contained in breath mint bottles and vials; in gelatin tab form (“window panes”) of varying colors; and in pill form known as “microdots.”

Distribution of LSD is unique within the drug culture. A proliferation of mail order sales has created a marketplace where the sellers are virtually unknown to the buyers, giving the highest level traffickers considerable insulation from drug law enforcement operations. The vast

majority of users are middle-class adolescents and young adults attracted by its low prices. Rock concerts continue to be favorite distribution sites for LSD traffickers; however, distribution at raves throughout the United States is becoming more popular. Contacts made at raves and concerts are used to establish future transactions and shipments of larger quantities of LSD.



Examples of LSD blotter paper

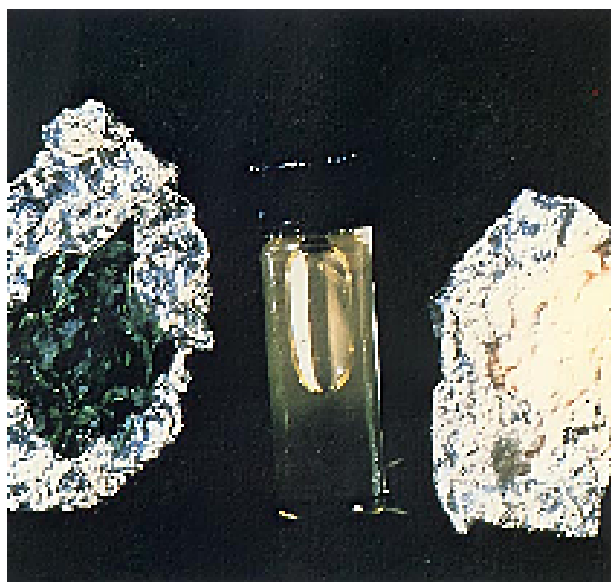


LSD gelatin tablets or “window panes”

PCP

Phencyclidine (PCP), a clandestinely manufactured hallucinogen commonly used in conjunction with marijuana, causes users to feel detached from their surroundings and, in some cases, paranoid and violent. PCP production is centered in the greater Los Angeles metropolitan area. During the late 1980s and early 1990s, the widespread availability and use of crack cocaine displaced demand for PCP. More recently, however, reporting suggests that PCP abuse is increasing slightly in many cities, as some crack addicts return to the use of this drug. DEA reporting indicates that PCP is being encountered with greater frequency along the Southwest border, particularly in Texas.

Since 2000, four major seizures of PCP have occurred in Sierra Blanca, Texas, alone: approximately 6 kilograms of PCP were seized on April 21, 2000; 2 kilograms seized on December 12, 2000; 1,773 dosage units of liquid PCP seized on June 11, 2001; and 33 kilograms of liquid PCP on July 31, 2001. DEA, state, and local authorities also seized two PCP laboratories in 1999 and two in 2000.



PCP in both crystalline form and a vial of PCP dissolved in water

FLUNITRAZEPAM

Flunitrazepam is sold under the trade name Rohypnol, from which the street name “Rophy” is derived. Other street names include “circles,” “Mexican valium,” “roofies,” and “R-2.” Flunitrazepam is a depressant used in the treatment of short-term insomnia and as a hypnotic sedative and pre-anesthetic medication.

Flunitrazepam is manufactured worldwide, particularly in Europe and Latin America, where it is sold legally by prescription. This drug is neither manufactured nor approved for medical use in the United States. Distributors in Texas allegedly travel to Mexico to obtain the drug. In addition, Colombian sources of supply smuggle flunitrazepam into South Florida via international mail services and/or couriers using commercial airlines.

According to law enforcement officials in south Florida, flunitrazepam is routinely referred to as a “club drug,” since it is popular in local nightclubs. It is also referred to as the “date rape drug,” characteristically causing the victim to experience short-term memory loss after ingestion. It is ingested orally, frequently in conjunction with alcohol or other drugs. High school and college students are the most frequent users of flunitrazepam, commonly using it as an “alcohol extender.” Young people also have the misconception that flunitrazepam is unadulterated, and, therefore, “safe” because of pre-sealed bubble packaging.



The original Rohypnol pills



New Rohypnol tablets include a dye that make the drug visible if slipped into a drink

GHB/GBL

GHB (gamma hydroxybutyrate), a central nervous system depressant, was banned by the FDA in 1990. On February 18, 2000, President William J. Clinton signed the Hillary J. Farias and Samantha Reid Date-Rape Prohibition Act of 2000. This legislation makes GHB a Schedule I drug under the Controlled Substance Act (CSA).

GHB generates feelings of euphoria and intoxication. It is often combined in a carbonated, alcohol, or health food drink, and is reportedly popular among adolescents and young adults attending raves and nightclubs. At lower doses, GHB causes drowsiness, nausea, and visual disturbances. At higher dosages, unconsciousness, seizures, severe respiratory depression, and coma can occur.

GHB has been used in the commission of sexual assaults because it renders the victim incapable of resisting, and may cause memory problems that could complicate case prosecution. GHB recipes are accessible over the Internet; the drug is simple to manufacture, and can be made in a bathtub or even a Pyrex baking dish. DEA, along with state and local law enforcement agencies, seized 17 GHB laboratories in 2000, 10 of which were located in California.

GBL (gamma butyrolactone), an analog of GHB, is also abused. GBL is a chemical used in many industrial cleaners and it also has been marketed as a health supplement. GBL is synthesized by the body to produce GHB. One 55-gallon drum yields 240,000 capfuls of GBL. One capful sells for \$8.00, potentially yielding 1.9 million dollars per 55-gallon drum.



Renewtrient and Blue Nitro, GHB precursors, have been removed from the market.

STERIODS

The Anabolic Steroid Control Act was passed by Congress in the fall of 1990 and became effective on February 21, 1991. The Steroid Act classified 27 steroids as Schedule III substances under the CSA. Street prices of anabolic steroids have increased substantially as a result.

Fitness clubs have been, and continue to be, the primary distribution centers of steroids, since bodybuilders and weightlifters comprise a predominant portion of the user population. Once viewed as a problem strictly associated with professional athletes, a recent survey of students indicates increased steroid use among boys in the 8th and 10th grades. The percentage of 8th grade boys reporting past-year use of steroids increased from 1.6 percent in 1998 to 2.5 percent in 1999, and from 1.9 percent to 2.8 percent among 10th grade boys.

Anabolic steroids are illicitly smuggled from Mexico and European countries to the United States. Recent DEA reporting indicates that Russian and Romanian nationals are significant traffickers of steroids and are responsible for substantial shipments of steroids entering the United States. The lack of international control over foreign sources of supply, however, makes it impossible to attack the trafficking at its source.



Steroids

